Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 10−12, Oklahoma State Income Tax Withholding

Date: January 15, 2010

To: Holders of TAXES (State of Oklahoma only)
Personnel User Groups
T&A Contact Points in Oklahoma

Beginning with wages paid for Pay Period 4, the National Finance Center (NFC) will make the following changes to the state of Oklahoma income tax withholdings:

■ The Single and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (*www.nfc.usda.gov*) and click the **Publications** link at the top of the page. At the Publications page right−hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "▶◀".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504−255−4630** or the EmpowHR Help Desk at **1−888−367−6955**

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NFC BULLETIN

# Oklahoma State Income Tax Information

| | |
|---|---|
| **State Abbreviation:** | OK |
| **State Tax Withholding State Code:** | 40 |
| **Basis For Withholding:** | State or Federal Exemptions |
| **Acceptable Exemption Form:** | W–4 |
| **Acceptable Exemption Data:** | S, M/ Number of Exemptions |
| **TSP Deferred:** | Yes |
| **Special Coding:** | None |
| **Additional Information:** | If no state income tax certificate has been processed or no valid state exemption code is present, the Federal exemptions will be used in the computation of state taxes. |

## Withholding Formula ▶(Effective Pay Period 4, 2010)◀

1.  Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.

2.  Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.

3.  Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.

4.  Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.

5.  Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4.

    Exemption Allowance = $1,000 X Number of Exemptions

6.  If the employee is SINGLE, apply the following tax rates to annual taxable wages to determine the annual tax amount:

### Tax Withholding Table
### Single

| If the Amount of Taxable Income Is: | | | The Amount of Oklahoma Tax Withholding Should Be: | | | |
|---|---|---|---|---|---|---|
| **Over:** | **But Not Over:** | | | | | **Of Excess Over:** |
| $      0 | $  ▶5,700 | | $    0.00  plus | 0.0% | | $        0 |
| 5,700 | 6,700 | | 0.00  plus | 0.5% | | 5,700 |
| 6,700 | 8,200 | | 5.00  plus | 1.0% | | 6,700 |
| 8,200 | 9,450 | | 20.00  plus | 2.0% | | 8,200 |
| 9,450 | 10,600 | | 45.00  plus | 3.0% | | 9,450 |
| 10,600 | 12,900 | | 79.50  plus | 4.0% | | 10,600 |
| 12,900 | 14,400 | | 171.50  plus | 5.0% | | 12,900 |
| 14,400 | and over | | 246.50  plus | 5.5% | | 14,400◀ |

**7.** If the employee is MARRIED, apply the following tax rates to annual taxable wages to determine the annual tax amount:

**Married**

| If the Amount of Taxable Income Is: | | | The Amount of Oklahoma Tax Withholding Should Be: | | | | Of Excess Over: |
|---|---|---|---|---|---|---|---|
| **Over:** | **But Not Over:** | | | | | | |
| $ 0 | $ ▶11,400 | | $ 0.00 | plus | 0.0% | $ | 0 |
| 11,400 | 13,400 | | 0.00 | plus | 0.5% | | 11,400 |
| 13,400 | 16,400 | | 10.00 | plus | 1.0% | | 13,400 |
| 16,400 | 18,900 | | 40.00 | plus | 2.0% | | 16,400 |
| 18,900 | 21,200 | | 90.00 | plus | 3.0% | | 18,900 |
| 21,200 | 23,600 | | 159.00 | plus | 4.0% | | 21,200 |
| 23,600 | 26,400 | | 255.00 | plus | 5.0% | | 23,600 |
| 26,400 | and over | | 395.00 | plus | 5.5% | | 26,400◄ |

**8.** Divide the annual Oklahoma tax withholding by 26 and round to the nearest dollar to obtain the biweekly Oklahoma tax withholding.

**9.** Add additional amount or percentage elected by the employee to the pay period tax calculated in the above step and ROUND TO THE NEAREST DOLLAR to determine the amount of tax to be withheld for this pay period.